

# Virginia Enterprise Zones

**2009**

## **Real Property Investment Grant Instruction Manual**



VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT  
*Partners for Better Communities*


600 E. Main Street, Suite 300  
Richmond, Virginia 23219  
(804) 371-7030  
EZONE@dhcd.virginia.gov  
[www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)

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## ABOUT THIS MANUAL

This manual provides instructions for qualifying for the Enterprise Zone Real Property Investment Grants. It has been compiled for the applicant (qualified zone investor) and addresses the applicant's responsibilities in completing the application materials.

Specific icons have been used throughout the manual to provide user-friendly instructions. Frequently asked questions have been included within each grant section and are denoted by a question mark symbol (?) within a text box. Additionally, important definitions, guidelines, and reminders are also emphasized in highlighted text boxes. Snapshots of the actual application forms are pasted within the manual to provide step-by-step instructions for each component of the application. Details pertaining to the grant's required form have been indicated by the following symbol: . Lastly, for your convenience, key terms have been hyperlinked to their corresponding definitions in the glossary provided at the end of the manual. Please note that the terms included in the glossary are defined by statute and regulation and must be followed.

The qualified zone investor is expected to complete all the required application components and then have an independent CPA (licensed in Virginia) attest to the application material. For specific information on whether one's CPA can attest to the application, see the text box on page 24.

The Real Property Investment Grant information is organized as follows:

- An overview of the grant amount and eligibility criteria
- General limitations
- Preliminary information for applicants to gather
- Step-by-step instructions for completing the required application and attachments with snapshots of actual forms

## New This Year

Statutory changes made by the General Assembly to the RPIG qualification requirements and grant caps take effect during the 2009 funding year. The changes require investors submitting applications for rehabilitation or expansion projects to meet a \$100,000 investment threshold while a \$500,000 investment threshold will be applied to new construction projects. Grants are available to qualified Zone Investors in amounts up to 20% of the total amount of investments made exceeding the applicable thresholds. Grant caps have been lowered so that for projects in which total investment is less than \$5 million, the grant cap equals \$100,000. A \$200,000 grant cap will be applied to projects in which total investment exceeds \$5 million.

## Additional Publications Regarding Grant Application Process

This manual covers the qualification information and submittal process for the Real Property Investment Grant. A separate manual is available for the Job Creation Grant and can be downloaded from <https://dmz1.dhcd.virginia.gov/EZApplication/>.

In addition to the grant manuals, a separate document on the Agreed upon Procedures for CPA's compiling the CPA Attestation Report is available online <https://dmz1.dhcd.virginia.gov/EZApplication/>. The CPA Attestation Report is a statutory requirement and **must accompany** all Job Creation and Real Property Investment Grant application submittals.

Also, contact information for the Local Zone Administrator for each designated Enterprise Zone is available online at <https://dmz1.dhcd.virginia.gov/EZApplication/>.

## ENTERPRISE ZONE GRANT QUALIFICATION PROCESS

The Job Creation Grants and Real Property Investment Grants are subject to an annual appropriation by the General Assembly. **However, in the event that these grant requests exceed the Commonwealth's total annual grant allocation, qualified applicants are granted a *pro rata* amount by DHCD.** Each qualified applicant will receive an equitable share of the grants.

### Submittal Requirements

Applicants must submit the appropriate grant application form and all required attachments to DHCD by no later than the close of business on April 1, 2010.

**The CPA Attestation Report is required and must be submitted with all other application materials by the April 1<sup>st</sup> deadline.** Applicants must send original application materials using one of the following mechanisms: 1) United States Postal Service certified mail, return receipt requested and postmarked no later than April 1<sup>st</sup>; 2) UPS, Fed Ex or other services where shipping can be tracked with a shipped date no later than April 1<sup>st</sup>. Hand delivery is accepted but not preferred and must be received by DHCD by the close of business on April 1<sup>st</sup>.

Any applications submitted without the required CPA Attestation Report or those submitted after the April 1<sup>st</sup> deadline (but before May 15, 2010) will be considered a **late application**. Such applications are held until DHCD determines that funds remain and it will not have to prorate grant awards. At such time, DHCD will review and process such applications on a first-come, first served basis. For your information, all grant requests have been pro-rated in the past four years.

### Submittal of Multiple Applications

If submitting more than one application (for example, a Job Creation Grant and Real Property Investment Grant application), each grant application and required materials must be sent in **separately using one of the above methods of delivery**. Due to the high volume of grant applicants, DHCD cannot guarantee proof of the receipt of each application when multiple applications are submitted together unless a cover letter listing each submittal is included in the package.



### Online Submittal

Firms and zone investors are **required** to submit electronic applications. If you do not have online access, please contact DHCD immediately. Online applications offer an auto-calculation option and enable for more efficient processing of applications. The online system is equipped with links that guide applicants through the application and includes reminders and clarification on common mistakes.

Firms and zone investors will receive email confirmations to keep the applicant informed throughout the submittal process and to bring any submittal issues to the applicant's attention prior to the applicable deadline. The online applications must be submitted to DHCD by no later than April 1, 2010 (EST). When applications are submitted electronically, the **required signed hard copy and all other referenced materials must also be submitted by the April 1st deadline**. Applicants are able to print the completed application as part of the online submittal process, sign, add any additional required documentation, and mail to DHCD.

Due to the increasing volume of applications DHCD receives each year, we recommend that applicants rely on the email confirmation system rather than phone inquiries regarding an application's status. In the case in which an **online application or hard copy was submitted** and the applicant does not receive an email confirmation within **3-5 business days**, please then contact DHCD regarding the status of the application.

All applicants will receive confirmation emails in the following order:

*1- Successful submission of the online application*

This email will indicate the date and time of the submittal and will also include a reminder to print the application and send in the signed hard copy and all other required materials (including the CPA Attestation Report) by the April 1<sup>st</sup> deadline. DHCD recommends applicants print and keep a copy of the email with their grant records.

*2- Receipt of hard copy of application and other required materials*

Once a hard copy of the application and other required materials are received, an email will be sent to the applicant stating the date of receipt. DHCD recommends applicants print and keep a copy of the email with their grant records.

Lastly, DHCD will notify applicants by May 15<sup>th</sup> in cases in which additional information is requested due to application deficiencies. Once the applicant provides the additional information requested, a final email will be sent to the applicant confirming DHCD's receipt of the requested material.

DHCD reviews all applications for completeness. **Please keep in mind that DHCD is unable to pre-qualify any applicants or review applications on-site.**

The timeline for the Job Creation Grant and Real Property Investment Grant application review is as follows:

2009 Enterprise Zone Grant Timeline
<ul style="list-style-type: none"><li>▪ <b>April 1<sup>st</sup></b>—Applicant submits application materials to DHCD</li><li>▪ <b>May 15<sup>th</sup></b>—DHCD notifies applicant of deficiencies</li><li>▪ <b>June 1<sup>st</sup></b>—Applicant resubmits, if necessary, and deficiencies have been resolved</li><li>▪ <b>June 30<sup>th</sup></b>—DHCD notifies applicant of qualification</li><li>▪ <b>July</b>—Virginia Department of Treasury sends Enterprise Zone Grant check to applicant</li></ul>

## TAXABILITY OF GRANTS

Based on guidance from the Virginia Department of Taxation, the Real Property Investment and Job Creation Grants are considered taxable income for the applicant.

If a grant applicant has any type of outstanding liability to the State (such as a tax liability), the awarded grant amount will be automatically reduced by the dollar amount of the liability. DHCD does not have records of any potential liabilities for a specific entity/individual, as this process is handled outside the agency. If a qualified zone investor or business firm's issued grant check is different than the amount noted in the **qualification letter**, please call the Virginia Department of Accounts at (804) 371-8383.

## RECORD KEEPING REQUIREMENTS

The Department may at any time review qualified zone investors records related to qualification to assure that information provided in the application process is accurate. Qualified zone investors shall maintain all documentation regarding qualification for enterprise zone incentive grants for a minimum of three years following the receipt of any grant. Real property investment grants that do not have adequate documentation regarding qualified real property investments may be subject to repayment by the qualified zone investor.

*If you have any questions about qualifying for the Enterprise Zone grants or other aspects of the program, please contact:*

Virginia Department of Housing and Community Development  
600 E. Main Street, Suite 300  
Richmond, Virginia 23219  
(804) 371-7030





[EZONE@dhcd.virginia.gov](mailto:EZONE@dhcd.virginia.gov)  
[www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)

## REAL PROPERTY INVESTMENT GRANTS

The chart below summarizes the eligibility criteria and grant amount available for the Real Property Investment Grants.

This manual contains the following sections:

- Determination of the grant year
- Grant applicant
- General limitations of the grant
- Qualified real property investments
- Preliminary information for zone investors to collect in order to determine grant eligibility
- Grant submission requirements and instructions on completing application components

<p><i>Real Property Investment Grants are available for investments made to industrial, commercial, or mixed-use real property located in an Enterprise Zone. Grants are available to qualified zone investors in amounts up to 20% of the total amount of investment exceeding the applicable investment thresholds of \$100,000 for rehab and expansion projects and \$500,000 for new construction projects.</i></p>	
 <b>Grant Restrictions</b>	<p>The following entities are prohibited from applying for the Real Property Investment Grants:</p> <ul style="list-style-type: none"> <li>▪ Units of local, state, or federal government -typically have FEIN beginning with 54600</li> </ul>
 <b>Eligibility Requirements</b>	<ul style="list-style-type: none"> <li>▪ The facility/building must be located in a Virginia Enterprise Zone.</li> <li>▪ The <a href="#">building</a> or <a href="#">facility</a> must be commercial, industrial, or mixed-use.                             <ul style="list-style-type: none"> <li>- Mixed-use is defined as a building incorporating residential uses in which a minimum of 30% of the <a href="#">useable floor space</a> will be devoted to commercial, office, or industrial use.</li> </ul> </li> <li>▪ For the rehabilitation or expansion of an existing structure, the zone investor must spend at least \$100,000 in qualified real property investments.</li> <li>▪ For new construction, the zone investor must spend at least \$500,000 in qualified real property investments.</li> </ul>
 <b>Term</b>	<ul style="list-style-type: none"> <li>▪ Grants may not exceed \$200,000 per building or facility in a five-consecutive year period.</li> </ul>
 <b>Amount<sup>1</sup></b>	<p>The dollar amount of the Real Property Investment Grant is determined by the amount spent on <a href="#">qualified real property investments</a> and is capped per building or facility over a five-year term based on the cumulative level of investment.</p> <ul style="list-style-type: none"> <li>▪ Grants are available in amounts up to 20% of the qualified real property investment made in excess of the spending thresholds and capped based on the following thresholds:                             <ul style="list-style-type: none"> <li>- Up to \$100,000 per building/facility for qualifying real property investments of less than \$5 million.</li> <li>- Up to \$200,000 per building/facility for qualifying real property investments of \$5 million or more</li> </ul> </li> </ul>

<sup>1</sup> Grant amount is subject to pro-ration should requests exceed grant funds allocated.

## Determination of Grant Year

The applicant must apply for the Real Property Investment Grant for the calendar year in which the building was [“placed in service.”](#)

**For zone investors planning to apply for the 2009 grant year, the placed in service date must be within the 2009 calendar year.**

The placed in service date is:

- The date in which the final, approved Certificate of Occupancy (CO) was issued for work done to the respective building or facility; or
- The date the final approved Building Inspection was issued for the work done to the building or facility; or
- In cases where a project does not require permits, the date of a licensed third party inspector's report which states that the project is complete. This inspection must have occurred in 2009 and the report must be dated within the 2009 calendar year.

**Please note that DHCD is unable to process applications with placed in service documentation from previous calendar years, such as a final building inspection or final CO issued in 2008.**

All of the qualified real property investments completed under the one final placed in service documentation that were capitalized by the qualified zone investor may be included in the grant application. The grant application is due on April 1<sup>st</sup> of the subsequent calendar year following the placed in service date. For example, if the final CO was issued on

December 31, 2009, the qualified zone investor would submit their 2009 grant year application to DHCD by April 1, 2010.

## Grant Applicant: The Zone Investor

Any [qualified zone investor](#) (entity or individual) capitalizing the costs associated with the real property investment may apply for the grant.

Zone investors may be any of the following:

- Owner-occupant or non occupant of the building
- One of multiple owners within a building
- Tenant
- Developer

For zone investors applying as a tenant or an owner of space within a building, supplemental forms verifying coordination with the owner and/or other tenants and owners is required.

Coordination requires the zone investor to ensure that **all** owners and tenants within a multi-owner/tenant building or facility perform both of the following steps:

- 1- Provide their (notarized) signature and square footage leased/owned as indication of their understanding that there is a grant applicant within the building or facility and the remaining grant funds, if any, potentially available for such property.
- 2- Ensure that no more than the applicable grant cap is requested within a five-consecutive year for the building or facility.

### DHCD Multi-Tenant/Owner Pro-ration Formula

If there is **no required coordination** (steps 1-2 described in the information to the left of this box), DHCD will implement its **pro-ration procedures** for such buildings based on the [useable floor](#) space leased/owned by the zone investor.


- The maximum grant amount available (either \$100,000 or \$200,000) will be determined by the cumulative qualified real property investments made to the building/facility within the consecutive five-year period.
- DHCD will then multiply the applicable grant cap by the percent of the building's useable floor space for which the tenant has a lease or for which the owner has a deed of trust (or other closing documents).
- The grant can not exceed this amount or 20% of the applicant's qualified real property investment made in excess of the applicable investment threshold(not exceeding the investment threshold cap), whichever is less.



## ***Multiple Owners***

In the case of a zone investor who owns space within a building/facility, the applicant will need to coordinate qualification as described on the previous page with all other owners within the building/facility.

In determining which owners the zone investor will need to coordinate with, DHCD requires that the zone investor coordinate with all owners of record of the building **at issuance of the placed in service documentation** (i.e. Certificate of Occupancy or approved Final Building Inspection). The owner would need to have adequate documentation (such as a deed of trust, city's property assessment, etc.) to indicate the portion of the building (square footage) he/she owns on the date of issued placed in service document and the portion of building owned/occupied by other owners.

 **If I, as the owner, built a new building and sold office space within the building prior to receiving my final Certificate of Occupancy, would I be eligible to apply for the maximum grant amount?**

You may be eligible to request the full grant amount if this was stipulated in the sales contract with the new owners (for which you can provide DHCD a copy of). If there was no stipulation in regards to your intention to apply for the full grant amount, the grant request must be coordinated with all the other owners of the building as of the date the Certificate of Occupancy was issued.

For an example of how DHCD applies the pro-ration formula, see the scenario on page 21.

## ***Tenants***

Tenants can apply for qualified real property investments made to the portion of the building for which they hold a valid lease.

- When a tenant applies, they are required to submit written, notarized consent from the owner of the building/facility.
- And, if required by the owner, the applicant will need to coordinate qualification with the other tenants or DHCD will implement the pro-ration formula explained in the text box on the previous page.

## ***Developers***

In the case of a zone investor that capitalizes the qualified real property investments but does not own or occupy the building, such zone investor will need to get consent of the building owner(s) and coordinate with all the owners of space of building at the issuance of the placed in service documentation. If the sales contract with the new owner(s) included notification to the owner about the grant and the developer's intention to apply, the developer would not be required to coordinate and should instead provide the contract to DHCD.

## **General Limitations**

- The maximum grant amount is capped per building or facility and is not to exceed \$200,000 within a five-year period.
- For applicants who have previously qualified for the Real Property Investment Grant, an online search tool is available at <https://dmz1.dhcd.virginia.gov/EZApplication/>. This searchable engine contains information on past grant activity for a specific building/facility.
- A qualified zone investor may not apply for the Real Property Investment Grant for investments already incurred or for which Real Property Improvement Tax Credits were received.
- A qualified zone investor may apply for **both** the Real Property Investment Grant and the State/Federal Historic Tax Credit.

## Qualified Real Property Investments

Prior to completing the application, the applicant will need to determine if they meet the basic

qualification criteria. Applicants should first assess the applicable type of qualified real property investment—[rehabilitation](#), [expansion](#), or [new construction](#). They should then determine if they meet the investment threshold in qualified real property investments.

### Minimum investment thresholds:

- [Rehabilitation & Expansion](#): \$100,000 in qualified real property investments
- [New Construction](#): \$500,000 in qualified real property investments

### What Constitutes a Qualified Real Property Investment?

#### Qualified Real Property Investments:

- ✓ Carpentry
- ✓ Ceilings
- ✓ Cleaning and clean-up
- ✓ Demolition
- ✓ Doors, windows
- ✓ Driveways
- ✓ Drywall
- ✓ Cabinetry (*if taxed as real property*)
- ✓ Electrical improvements, such as in-wall wiring system (*equipment unrelated to construction and labor/material cannot be included in this category*)
- ✓ Excavation, grading
- ✓ Exterior repair
- ✓ Fencing
- ✓ Fire suppression systems
- ✓ Fixtures
- ✓ HVAC
- ✓ Landscaping
- ✓ Mechanical improvements, such as installation of elevator system (*equipment unrelated to construction and labor/material cannot be included in this category*)
- ✓ Painting
- ✓ Paving
- ✓ Plumbing
- ✓ Masonry
- ✓ Roofing and flashing
- ✓ Sheetrock, plaster
- ✓ Shelving (*if taxed as real property*)
- ✓ Sidewalks

*More information regarding other qualified real property investment items is included on the following page.*

#### NOT Qualified Real Property Investments:

- ✗ Appraisal, architectural, engineering and interior design fees
- ✗ Bids
- ✗ Blinds
- ✗ Bonding
- ✗ Closing costs
- ✗ Copying
- ✗ Furnishings (*such as window treatments or appliances*)
- ✗ Insurance
- ✗ Land or building acquisition
- ✗ Legal, accounting, realtor, sales and marketing or other professional fees
- ✗ Loan fees; capitalized interest
- ✗ Outbuildings (*if ancillary to the function of the main building*)
- ✗ Permits, user fees, zoning fees, impact fees, inspection fees
- ✗ Rent loss
- ✗ Signage or signs
- ✗ Temporary facilities
- ✗ Utilities
- ✗ Utility hook-up or access fees
- ✗ Well, septic, or sewer systems
- ✗ Roads
- ✗ Basis of any property: i. for which a grant was previously awarded; ii. which was previously placed in service in Virginia by the taxpayer, a related party, or a trade or business under common control; or iii. which was previously in service in Virginia and has a basis in the hands of the person acquiring it, determined in whole or in part by reference to the basis of such property in the hands of the person from whom acquired, or Internal Revenue Code §1014 (a).

## Other Qualified Real Property Investments

### **Site work**

“Site work” is a common schedule item. However, not all items typically included under “site work” constitute a qualified real property investment. Below are some examples of some qualified (✓) and un-qualified (⊗) real property investments often lumped into the “site work” category. **When completing the schedule on the Form EZ-RPIG, it is best to break down and list all the work included in the site work category.**

✓ Qualified Site work	⊗ Not-qualified Site work
Clearing	Sewer tie-in fees
Concrete Excavation	Utilities
Construction Fee	Water/meter fees
Construction Overhead	
Drywall	
Earthwork	
Finishes	
Fire System	

### **Conditional Items**

The following items qualify as real property investments (i.e. their corresponding dollar amount can be included in the investment total) **only** if the described conditions are met.

<b>Awning/Canopy</b>	Must be <b>structurally part of building/roof to qualify</b> . Awnings or canopies that are fabric or non-structural do <u>not</u> constitute a real property investment.
<b>Change Orders</b>	Needs to be <b>broken down into more specific categories</b> , such as “additional flooring work” in order to ensure that each item is a qualified real property investment.
<b>Plumbing/Piping</b>	Can only include work that is <b>structurally within the building/facility</b> and is <u>not</u> running from the building to an outside location.
<b>Wiring</b>	The wiring must be <b>structurally part of the building</b> (such as in-wall wiring for telephone systems).



#### **What “General Conditions” on my contractor’s invoice are considered qualified real property investments?**

Provided that the General Conditions are charged to your capital (asset) account, the following constitute qualified real property investments under a category of “general conditions”:

- Clean up
- General Labor
- Hoisting
- Mobilization
- Project Manager
- Project Superintendant
- Rental Equipment



## Real Property Investment Grant: Preliminary Information

*Planning to apply? The following information should be gathered by potential applicants to assess if they meet the eligibility criteria and, if so, to begin preparing their grant application materials.*

- Confirm business location within Enterprise Zone.
  - Contact the [Local Zone Administrator](#) for verification of Zone location.
- Keep track of all [qualified real property investments](#)- invoices, receipts, checks for payments.
  - Qualified real property investments outlined on the previous pages.
- Based on type of project, determine if minimum investment threshold is met.
  - [Rehabilitation](#) and [expansion](#): \$100,000 in qualified real property investments.
  - [New construction](#): \$500,000 in qualified real property investments.
- If the applicant is a tenant even of a related entity, receive written consent from owner and if required by the owner, coordinate qualification with other tenants.
- If there are other owners of the building, coordinate qualification with other owners.
- Final (approved) Certificate of Occupancy (CO), approved Final Building Inspection, or licensed Third Party Inspector's Report (when project does not require any permits) received for all qualified real property investments.
  - To apply for the 2009 grant year, the placed in service documentation must be within the 2009 calendar year.
- Contact an [independent](#) CPA licensed in the state of Virginia to determine if he/she can complete the [Agreed Upon Procedures](#) (available at <https://dmz1.dhcd.virginia.gov/EZApplication/>).



### How does one distinguish between a building and a facility?

For grant purposes, a facility is a complex of buildings, co-located at a single physical location within an enterprise zone, all of which are necessary to facilitate the conduct of the same trade or business. A facility typically represents a group of buildings under common ownership, management, and operations.

*Common management and operations* means that the group of buildings is designed to function as a **unit**, such that in the case of tenants, a management company dictates their hours of operations, etc. Clustered buildings but not related operations that choose to co-locate for convenience or by coincidence do not constitute a facility.

*Example:*

- [Facilities](#)—mall /shopping center, lumber mill plant, hotel with multiple buildings

### 2009 Real Property Investment Grant Timeline

- **December 31, 2009**— Zone investor must receive placed in service documentation by this date to apply for 2008 Grant Year.
- **April 1<sup>st</sup>**—Applicant submits application materials to DHCD.
- **May 15<sup>th</sup>**—DHCD notifies applicant of deficiencies.
- **June 1<sup>st</sup>**—Applicant resubmits, if necessary and deficiencies have been resolved.
- **June 30<sup>th</sup>**—DHCD notifies applicant of qualification.
- **July**—Virginia Department of Treasury sends Enterprise Zone Grant check to applicant.

Real Property Investment Grant Submission Materials	
<i>Application Materials</i>	<i>Deadline</i>
<ul style="list-style-type: none"> <li>▪ Placed in Service Documentation</li> <li>▪ Form EZ-RPIG**</li> <li>▪ W-9</li> <li>▪ Form EZ-RPIG Multiple-owner*, if applicable</li> <li>▪ Form EZ-RPIG Tenant Owner Consent*, if applicable</li> <li>▪ Form EZ-RPIG Tenant Coordination*, if applicable</li> <li>▪ Form EZ-RPIG Mixed Used*, if applicable</li> <li>▪ CPA Attestation Report Form</li> </ul>	<p>All of the listed application materials are due to DHCD by close of business on <b>April 1, 2010</b>.</p> <p>Applicants must send original application materials using one of the following mechanisms: 1) United States Postal Service certified mail, return receipt requested and postmarked no later than April 1<sup>st</sup>; 2) UPS, Fed Ex or other services where shipping can be tracked with a shipped date no later than April 1<sup>st</sup>. Hand delivery is accepted but not preferred and must be received by DHCD by the close of business on April 1<sup>st</sup>.</p>

\* The Form EZ-RPIG and supplemental forms (Multiple-Owner, Tenant Owner Consent, Tenant Coordination, and Mixed Use) are all available online at <https://dmz1.dhcd.virginia.gov/EZApplication/>.

\*\*The Form EZ-RPIG is **required** to be submitted electronically at <https://dmz1.dhcd.virginia.gov/EZApplication/>.

### Online Submission

Online submission is **required** to allow for more efficient processing of applications. The online Real Property Investment Grant application includes reminders and definitions to help you complete the application. Additionally, since the itemized schedule has been incorporated into the main grant application, the online application has auto-calculation functions and, based on what applicants enter, provides guidance on items that commonly lead to deficient applications.

The online EZ-RPIG applications must be submitted to DHCD by no later than April 1, 2010 (EST). Once an application is submitted online, applicants will receive an email confirming the successful submission of the application.

A hard copy with original signatures must also be sent by the April 1<sup>st</sup> deadline. Applicants can print the completed application from the online submission webpage, sign, and mail the Form EZ-RPIG with the placed in service documentation, any applicable supplemental forms, W-9, and the CPA Attestation Report.

*Details and instructions regarding each of the listed application materials are included in the following sections.*

### Placed in Service Documentation

A final (approved) Certificate of Occupancy, approved Final Building Inspection, or licensed Third Party Inspector's Report (for projects that do not require *any* permits) for qualified real property investments must be submitted with the application. Applicants must apply with the final placed in service document **required** by the locality. That is, if the nature of the project required a Certificate of Occupancy, a zone investor cannot apply with a final building

It is the client's responsibility to verify as soon as possible with his/her respective locality's Building Code office if **permits are needed for a rehabilitation or expansion project**.

inspection, even if a final building inspection was issued prior to a Certificate of Occupancy. Additionally, if the project required permits, a zone investor cannot apply with a Third Party Inspector's Report. **Please bear in mind that DHCD is able to verify with the locality the final documentation issued for each project.**

When submitting the [placed in service](#) documentation, please make note of the following requirements:

- The name on the final Certificate of Occupancy, Final Building Inspection, or licensed Third Party Inspector's Report must match on the legal name (Part I, line 1) on the Form EZ-RPIG.
  - **If the name on the documentation differs with the legal name listed on the Form EZ-RPIG, Part II B of the Place-In-Service Documentation section of FORM EZ-RPIG must also be completed.**
- The physical address on the documentation must be within an Enterprise Zone and must match the physical address listed (Part I, line 4) on the Form EZ-RPIG.
- The date of the placed in service documentation must fall within the 2009 calendar year.

### *Certificate of Occupancy*

The Certificate of Occupancy must be final, meaning it is not temporary, conditional, or pending. For information regarding when a project requires a certificate of occupancy, see [Section 116](#) of the Virginia's Uniform Statewide Building Code.

### *Final Inspection*


When submitting a final building inspection as the placed in service documentation, the inspection must be approved by the local jurisdiction in which the project was completed and final, meaning the final building inspection was completely passed. There should be no pending items or additional work (however minor they may be) remaining when such a document is submitted.

For information regarding when a project requires a final building inspection, see [Section 113.8](#) of the Virginia's Uniform Statewide Building Code.

### *Licensed Third Party Inspector's Report*

A licensed third party inspector's report (performed, signed and dated within the 2009 calendar year) can only be submitted as the placed in service document when a project does not require any permits. The Third Party Inspector's Report must meet the guidelines set forth by the local jurisdiction in which the project was completed. In such cases, a letter from the local permitting office verifying that no permits were required must be submitted with licensed

third party inspector's report and the other application materials. **This letter must be on official letterhead and should reference the physical address of the property and should also list the qualified real property investments for which the applicant is seeking the grant.**

 I received a final building inspection in November 2009. The inspector noticed that the handrails along the stairway were loose and documented that the inspection was approved *pending* the installation of the new handrails. I then ordered new handrails, had them installed, and received another final building inspection. The second final building inspection was conducted and approved in January 2010. Can I still apply for the 2009 calendar year?

No, since the final building inspection was fully approved in 2010, the zone investor would need to apply for the 2010 calendar year. This holds true even if the final building inspection was originally conducted in 2009. The inspection has to be completely passed with no pending items or remaining work.

### **Based on [Section 113.7.1](#) ("Third-Party Inspectors") of the Virginia's Uniform Statewide Building Code:**

"Each building official charged with the enforcement of the USBBC shall have a *written policy* establishing the minimum acceptable qualifications for third-party inspectors. The policy shall include the format and time frame required for submission of reports, any prequalification or pre-approval requirements and any other requirements and procedures established by the building official."





## Form EZ-RPIG

The following pages include guidelines, by application section, for completing Form EZ-RPIG.



### PART I: BACKGROUND INFORMATION

Directions are included below for each item (in **bold**) from the background information section of Form EZ-RPIG.

#### 3. (FEIN)/ (SSN):

- If applicant is an S Corp, LLC, Partnership, Corporation, Sole Proprietorship, or other business entity, indicate the applicant's Federal Employment Identification Number.
- If the applicant is an individual, indicate the applicant's Social Security Number.

PART I: BACKGROUND INFORMATION	
1. Qualified Zone Investor's Legal Name <input type="text"/>	2. Type of Zone Investor (check one) <input type="checkbox"/> Owns building—occupant <input type="checkbox"/> Owns building—non-occupant <input type="checkbox"/> Owns space in building (i.e. office condo)— <i>Supplemental multiple owner form required</i> <input type="checkbox"/> Tenant in building— <i>Supplemental tenant form required</i> <input type="checkbox"/> Developer (not owner)— <i>See Manual</i>
3. Federal Employment ID# (FEIN)/Social Security Number (SSN) <input type="text"/>	City/County/Town <input type="text"/>
4. Physical Address of Zone Establishment (Street number and name) <input type="text"/>	
5. Real Property Use Classification (check one) <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Mixed Use-- <i>Supplemental mixed use form required</i>	6. Type of Real Property (check one) <input type="checkbox"/> Building <input type="checkbox"/> Facility

**1. Qualified Zone Investor's Legal Name:** *Indicate the applicant's legal name.*

**2. Type of Zone Investor:** A zone investor is the individual or entity that capitalized the cost of the qualified real property investments. A description of each classification follows.

- **"Owns building—occupant":** Owns and occupies the entire building/facility and has full control on how the grant for the building is distributed.
- **"Owns building—non-occupant":** Owns the entire building or facility, but does not occupy the building. Has full control on how the grant for the building is distributed.
- **"Owns space in building":** Qualified zone investor only owns a portion of the building—for example, a medical office condominium spanning one of the eight floors of a building. This type of zone investor is required to submit the *supplemental Form EZ-RPIG Multiple-Owner* and to coordinate qualification with all other owners within the same building/facility. **"Tenant in building":** Qualified zone investor occupies leased space in a building or facility. This type of zone investor is required to obtain written consent from the owner of the building and, in the case of other tenants, may be required to coordinate qualification. Zone investors applying as tenants are required to submit the *supplemental Form EZ-RPIG Tenant Consent and possibly Form EZ-RPIG Tenant Coordination*. **"Developer (not owner)":** Entity or individual that capitalizes the qualified real property investment but does not own or occupy the building; or develops for sale.

**3. See text box above.**

**4. Physical address of Building:** *Indicate the physical location of the applicant's property.*

**5. Real Property Use Classification:** *Indicate the use of classification of the real property as industrial, commercial, or mixed-use.*

- If you have identified the building/facility as [mixed use](#), the supplemental *Form EZ-RPIG Mixed Use* form is required and in Part III, Box 8 must be checked.

**6. Type of Real Property:** *Indicate whether the real property investments were made to a [building](#) or [facility](#).* See question in text box on page 12.

- If the building for which a Real Property Investment Grant is being sought is part of a complex of buildings, it must be classified as a "Facility" per the definition in the Program Regulations.



## PART I: BACKGROUND INFORMATION continued

### 7. Check the type of real property investment that was made.

To determine whether or not the investment is classified as [rehabilitation](#), [expansion](#), or [new construction](#), refer to the definitions at the end of the manual.

7. Type of real property investment that was made: <input type="checkbox"/> Rehabilitation of an existing building/facility <input type="checkbox"/> Expansion of an existing building/facility <input type="checkbox"/> New Construction		8. Property Identification Number(s) <input type="text"/>	
9. Zone Name <input type="text"/>	10. Zone # <input type="text"/>	11. Zone Designation Date <input type="text"/>	12. Name of Local Zone Administrator <input type="text"/>
13. Signature of Local Zone Administrator verifying that physical address/property identification number listed on EZ-RPIG Part I item 4 and item 8 is in the enterprise zone identified in item 9 above. <input type="text"/>			
Date <input type="text"/>			

### 8. Property Identification Number: *List the property identification number(s) associated with the physical address listed in #4.*

- These unique identification numbers vary by locality and the local zone administrator can tell you the proper type of number to use for their zone. Contact information is available at <https://dmz1.dhcd.virginia.gov/EZApplication/>.
- A building or facility can span multiple parcels. Additionally, a building with multiple owners or tenants, or even with multiple street fronts, may have multiple property identification numbers. In such cases, all property identification numbers corresponding to the building/facility must be identified in this space.

### 9-11. Zone Name and Zone #: *Indicate the Enterprise Zone in which the real property is located.*

- Contact the local zone administrator to verify which zone (#9) the applicant is located in. Once the zone name is entered online, the corresponding zone number field (#10) and zone designation date (#11) automatically populates.
- Contact information, zone name and the zone number is available at <https://dmz1.dhcd.virginia.gov/EZApplication/>.

### 12. Name of Local Zone Administrator: As listed on the online contact information list of local zone administrators (available at <https://dmz1.dhcd.virginia.gov/EZApplication/>), *state the name of the local zone administrator.*

### 13. Zone address verification: *The signature of the local zone administrator is required and must be signed and submitted by the April 1<sup>st</sup> deadline.*

- The signature of the local zone administrator verifies that the applicant is located within the Enterprise Zone stated on #9.





## PART II: PLACED-IN-SERVICE DOCUMENTATION

- A. Please check the box that corresponds with the type of Placed-in-Service documentation that you are submitting with your application.
- B. Any differences between the name appearing as the Qualified Zone Investor's Legal Name and the name listed on the Final Placed-in-Service Documentation must be explained in this section of the application. The text box is limited to 1,000 characters. A letter may be attached to the form if additional space is needed.

PART II: PLACED-IN-SERVICE DOCUMENTATION		
A.	<input type="checkbox"/> CERTIFICATE OF OCCUPANCY <input type="checkbox"/> FINAL INSPECTION <input type="checkbox"/> THIRD PARTY INSPECTOR'S REPORT	
B. Please briefly explain any differences in the name listed on the Final Placed in Service Documentation from the name listed in PART 1: Background Information as the Qualified Zone Investor. You may attach a letter to this form if additional space is required.		



## PART III: ITEMIZED LIST OF QUALIFIED REAL PROPERTY INVESTMENTS

Qualified zone investors need to collect invoices, receipts, and checks for qualified real property investment made to the building or facility corresponding with the final placed in service documentation. Applicants will then need to enter in the category of work completed (i.e. demolition, carpentry, etc.) and the corresponding dollar amount associated with that work in Part II of the Form EZ-RPIG.

- For a list of qualified real property investments, see the list on pages 10-11.
- Labor and material costs associated with each real property investment should be combined and listed as one category (such as "painting"). For each item listed on the schedule, DHCD assumes that labor, materials, and equipment necessary to perform such qualified real property investments are included in the total cost of each investment.
- Costs on the schedule should represent the actual dollar amount and should NOT be rounded.

### PART III: ITEMIZED LIST OF QUALIFIED REAL PROPERTY INVESTMENTS

List the category of work and the total costs involved for each qualified real property investment. For a list of items that qualify as real property investments, see pages 10-11 of the Real Property Investment Grant Instruction Manual.

ABC Company made the following qualified real property investments to the building located at 578 Main Street, Enterprise City, Virginia.

Qualified Real Property Investment	Dollar Amount
1. Carpentry	\$28,628.18
2. Clean-up	4,791.20
3. Concrete	3,961.12
4. Demolition	12,385.11
5. Doors and Windows	1,569.81
6. Drywall	4,269.02
7. Grading	6,707.55
8. HVAC	1,603.42
9. Masonry	32,689.17
10. Roofing	8,007.81
11. Steel	2,931.42
12.	
13.	
14.	
15.	
16.	
17.	
18.	
19.	
20.	
21. <b>Total Qualified Real Property Investment</b>	<b>\$107,543.83</b> (amount to enter in line 3A)

*Example*

The sum of the qualified real property investments is automatically calculated online and populates into Part III, line 3A.

For projects that contain more than 20 qualified real property investments, list the sum of the remaining dollar amount in line 20 and label the category as “see attachment.” Attach a list of the remaining items (listed separately) and corresponding dollar amounts to the hard copy of this form.



### PART IV: QUALIFICATION INFORMATION

On this portion of the Form EZ-RPIG, the zone investor fills in information regarding the dollar amount of qualified real property investments and requests the grant amount, based on the level of investment. For Zone Investors applying as owners of space within a building/facility, such applicants can only request the full, applicable grant amount if they coordinated qualification. See the *Supplemental Forms* section for more details.

#### PART IV: QUALIFICATION INFORMATION

1. Date Real Property Placed in Service (MM/DD/YYYY) ▪ To verify this date <u>attach a copy</u> of the final Certificate of Occupancy, Final Building Inspection (approved by local jurisdiction), or a licensed third party inspector's report in cases where project did not require a permit. o When submitting a licensed third party inspector's report, <u>attach a letter</u> from the local Building Official verifying that project did not require any permits.	1.
2. Qualification is requested for calendar year	2. 2009
3. Grant Calculation	
A. Actual dollar amount of qualified real property investments made by applicant.	3A. \$
B. Applicable investment threshold based on the type of real property investment.	3B. \$
C. Grant eligible dollar amount. (Line 3A minus Line 3B)	3C. \$
D. Multiply line (C) by 20%. This is the amount of grant the zone investor is requesting. ▪ For investments (line C) less than \$5 million, this amount cannot exceed \$100,000. ▪ For investments (line C) of \$5 million or more, this amount cannot exceed \$200,000. <i>Note: Tenants or zone investors who own a space within a building cannot request the maximum grant amount if they did not coordinate qualification or receive owner consent.</i> <i>See RPIG 2005-2008 Award Schedule to complete this section.</i>	3D. \$
4. Real Property Investment Grants previously issued to building or facility. <i>See RPIG 2005-2008 Award Schedule to complete this section.</i>	
A. Have real property investment grants been awarded to the building or facility in the last four years. <i>If yes, complete section B.</i>	4A. <input type="checkbox"/> YES <input type="checkbox"/> NO
B. If yes, indicate the total amount received in previous years.	4B. \$ Amount



## PART V: CONTACT INFORMATION

The zone investor provides contact information for the grant applicant representative and his/her mailing address as well as contact information for the CPA who prepared the Attestation Report in this section.

PART V: CONTACT INFORMATION					
1. Name of Grant Applicant Representative					
Prefix (Mr., Ms., Dr.)	First Name	Last Name	Title	Daytime Phone # ( ) -	E-mail Address
Principal Mailing Address (Address grant correspondence is mailed to)			City	State	Zip Code
2. Certified Public Accountant (preparer of required Attestation Report)					
Name of Certified Public Accountant		VA License #	Daytime Phone # ( ) -	Email Address	
3. Accounting Firm	Street Address		City	State	Zip Code

The email address of the applicant representative is **required** as applicants will receive email confirmations/updates throughout the application submission and review process. See page 5 of this manual for more information.



## PART VI: APPLICATION INFORMATION

This portion of the application notifies DHCD of your online application submission and informs the agency that supplemental forms should accompany Form EZ-RPIG. Check the boxes which correspond to your submission.

Part VI: APPLICATION INFORMATION	
Check the boxes below that apply to your application submission.	
1.	<input type="checkbox"/> This application has been submitted electronically
2.	<input type="checkbox"/> Application includes Supplemental EZ-RPIG Mixed-Use Form
3.	<input type="checkbox"/> Application includes Supplemental EZ-RPIG Multiple-Owner Form
4.	<input type="checkbox"/> Application includes Supplemental EZ-RPIG Tenant Coordination Form
5.	<input type="checkbox"/> Application includes Supplemental EZ-RPIG Tenant Owner Consent Form
6.	<input type="checkbox"/> Submission includes CPA Attestation Report Form
7.	<input type="checkbox"/> Submission includes Final Placed-in-Service documentation



## PART VII: DECLARATION

The application must be both signed and dated by a representative of the zone investor that has reviewed the application and required attachments for accuracy and completion.

PART VII: DECLARATION			
<p>APPLICANT: I, the undersigned, on behalf of the zone investor, declare that I have made the management decisions necessary to complete this form and this form has been examined by me and is an accurate statement. I have disclosed all of the required documentation so that the CPA could perform the agreed upon procedures established by DHCD. I am authorized to sign on behalf of the zone investor.</p>			
Signature	Typed or Printed Name	Title	Date (MM/DD/YYYY)

Prior to submitting your application, **please review the form(s) carefully**. Once submitted, qualified zone investors are unable to increase the level of investment if items (qualified real property investments) were mistakenly omitted.

## Supplemental Forms

### Form EZ-RPIG Multiple-Owner

For a zone investor that owns a space within a building, the supplemental form EZ-RPIG Multiple-Owner must be submitted with the Form EZ-RPIG. This form documents the amount of space within the building or facility owned by the applicant and enables the applicant to coordinate the qualification process with the other owners of the building/facility. Each owner within the building/facility must sign and notarize the coordination statement on page 2 of the form.

In the case where there has been no coordination with the other owners, DHCD will implement its pro-ration procedures based on the useable floor space owned by the zone investor. The pro-ration procedures are as follows:

The maximum grant amount available is determined by whichever is less of the following scenarios--

- 20 percent of the zone investor's grant eligible investment, capped at the applicable limit for the cumulative level of investment; **or**
- The square foot percentage owned by the zone investor (as documented in Part II of the supplemental form) multiplied by the applicable investment cap, \$100,000 or \$200,000.

Coordination entails that the zone investor ensures that **all** owners of a multi-owner building/facility perform **both** of the following steps:

- 1- Provide their (notarized) signature and square footage owned as an indication of their understanding that there is a grant applicant within the building or facility and the remaining grant funds, if any, potentially available for such property.
- 2- Ensure no more than the applicable grant cap is requested within a five-consecutive year period for the building or facility.\*

\*This especially holds true in instances where there are **multiple applicants from the same building whom simultaneously apply for the Real Property Investment Grant for work completed in the same calendar year**. Irrespective of the each applicant's level of investment, coordination would entail that the zone investors agree upon the amount each owner will request such that no more than the applicable grant cap (\$100,000 or \$200,000) is requested within a five consecutive year period.

**Complete Part I (Background Information) and Part II (Qualification Information) on the supplemental form. Additional information is included below for filling out Part III.**

### Part III: COORDINATION

Physical address of real property		Name listed on Part I, Line 1 of Form EZ-RPIG									
<p><b>PART III: COORDINATION</b>                      The grant application process must be coordinated with all other owners (even if they do not occupy the building) <b>such that no more than the applicable grant cap</b> (\$100,000 per building/facility for 5-consecutive-year investment level of less than \$5 million; \$200,000 for 5-consecutive-year investment level per building/facility of more than \$5 million) <b>is requested</b>.</p> <p>• FOR APPLICANTS WHO OWN A SPACE WITHIN A BUILDING, THE STATEMENT BELOW MUST BE SIGNED AND NOTARIZED BY <b>ALL</b> OTHER OWNERS IN THE BUILDING.*</p> <p>I am an authorized representative of the owner located within the building at _____, in _____, VA. I acknowledge that <b>zone investor's name</b> is applying for the Real Property Investment Grant.                      As a representative of the owner listed below, I give consent to the <b>zone investor</b> to apply for the Real Property Investment Grant in the amount of \$ _____. I am aware that the Real Property Investment Grant is capped per building or facility at \$200,000 for a 5-consecutive-year term and the filing of this application and subsequent disbursement of funds will be counted towards reaching the grant cap applicable to this property.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">A. Owner</td> <td style="width: 30%;">B. Representative, Title</td> <td style="width: 30%;">C. Square footage owned</td> </tr> <tr> <td colspan="2">D. Signature</td> <td>E. Date</td> </tr> <tr> <td colspan="3">F. Notary</td> </tr> </table> <p>Sworn and subscribed to before me, a Notary Public, in and for the Commonwealth of Virginia by _____                      this _____ day of _____, 200__.</p> <p>Notary Public _____ Registration Number _____                      My Commission Expires: _____</p>			A. Owner	B. Representative, Title	C. Square footage owned	D. Signature		E. Date	F. Notary		
A. Owner	B. Representative, Title	C. Square footage owned									
D. Signature		E. Date									
F. Notary											

Dollar amount on Form EZ-RPIG Part III, Line 3D

Cells A- E must be completed by each owner in the building and be notarized.

## Form EZ-RPIG Tenant Owner Consent

Supplemental Form EZ-RPIG Tenant Consent must be completed and submitted with Form EZ-RPIG by all tenants in buildings applying for RPIG funds regardless of whether the owner of the building requires further tenant coordination or not.

For tenants applying for the Real Property Investment Grant, the tenant is required to:

- 1 - Obtain written consent from the owner of the property
- 2 - Disclose the total number of square feet in the building in addition to the amount of space they are leasing from the owner
- 3 - Confirm the form of consent for application being allowed by the property owner.

### PART IV: TYPE OF CONSENT (CHECK ONLY ONE BOX BELOW.)

A. Sole Tenants	
<input type="checkbox"/>	My consent is not contingent on coordination as this applicant is the sole tenant in this building.
OR	
B. Multiple Tenants	
<input type="checkbox"/>	My consent <b>is not</b> contingent upon applicant coordinating with the building's other tenants.
<input type="checkbox"/>	My consent <b>is</b> contingent upon applicant coordinating with the building's other tenants.*

\*Note: EZ-RPIG Tenant Coordination Form must also accompany the application if the above box is checked.

Under circumstances where property owners make their consent contingent upon the applicant's coordination with other tenants in the building, tenants must also complete and submit Supplemental Form EZ-RPIG Tenant Coordination.

Note: If owner requires coordination with other tenants and no coordination is provided, DHCD will apply its pro-ration formula to the grant award as illustrated below.



### Multi-tenant Pro-ration Example

A commercial building located in Richmond's South Enterprise Zone is occupied by two tenants. Each makes improvements to the portion for which they each hold a valid lease but the two tenants do not coordinate their applications for the Real Property Investment Grant. The total [useable floor space](#) in the building is 100,000 square feet. Each of these tenants occupies one half of the building (50% of the building). Both of these zone investors complete the renovation work to their respective portions of the buildings in 2009.

- Investor A spends \$500,000 in qualified real property investment
- Investor B spends \$200,000 in qualified real property investment

Since the cumulative investment in 2009 (of Investor A and B) is less than \$5 million, the maximum grant amount for the entire building is capped at \$100,000. Because Investors A and B each occupy one half of the building, that grant cap translates into a maximum of \$50,000 in grants each for Investors A and B. While 20% of \$400,000 is \$80,000, Investor A would only receive a maximum of \$50,000 in Real Property Investment Grant funds. Investors B, however, would receive the full \$20,000 (20% of \$100,000) because he is still under his individual cap of \$50,000. If the two investors had coordinated, both could have received their full request - \$80,000 for Investor A and \$20,000 for Investor B.

## Form EZ-RPIG Tenant Coordination

Form EZ-RPIG Tenant Coordination is required when tenants applying for RPIG funds receive owner consent contingent upon the notification of all other tenants in the building. This form of consent is required when property owners want to make other building tenants aware that receipt of any Enterprise Zone grant funds will be counted towards reaching the grant cap for the entire building and will effect any future applications for funds from the same site.

Tenants are required to provide:

- 1 - Background Information in Part I.
- 2 - Qualification Information in Part II.
- 3 - Coordination information must then be completed and notarized by each tenant located in the building in Part III.

Coordination entails that the zone investor ensures that **all** tenants of a multi-tenant building/facility perform both of the following steps:

- 1- Provide their (notarized) signature and square footage leased as an indication of their understanding that there is a grant applicant within the building or facility and the remaining grant funds, if any, potentially available for such property.
- 2- Ensure no more than the applicable grant cap is requested within a five-consecutive year for the building or facility.\*

\*This especially holds true in instances where there are **multiple applicants from the same building whom simultaneously apply for the Real Property Investment Grant for work completed in the same calendar year.** Irrespective of the each applicant's level of investment, coordination would entail that the zone investors agree upon the amount each tenant will request such that no more than the applicable grant cap (\$100,000 or \$200,000) is requested within a five-consecutive-year period.

<p>Name listed on Part I, Line 1 of Form EZ-RPIG</p>			<p>Physical Address</p>			<p>Locality Name</p>		
<p>I am an authorized representative of the tenant located within the building at _____ in _____, VA. I acknowledge that <u>Zone Investor's Name</u> is applying for the Real Property Investment Grant.</p> <p>As a representative of the tenant listed below, I give consent to the <u>Zone Investor</u> to apply for the Real Property Investment Grant in the amount of \$ _____. I am aware that the Real Property Investment Grant is capped per building or facility and the filing of this application and subsequent disbursement of funds will be counted towards reaching the grant cap applicable to this property.</p>								
A. Tenant			B. Representative, Title			C. Square footage leased		
D. Signature			<p>Dollar amount on Form EZ-RPIG Part III, Line 3D</p>			E. Date		
<p>F. Notary</p> <p>Sworn and subscribed to before me, a Notary Public, in and for the Commonwealth of Virginia by _____, (Place stamp here.)</p> <p>this ____ day of _____ 200__.</p> <p>Notary Public _____ Registration Number _____</p> <p>My Commission Expires: _____</p>								
<p>Cells A- E must be completed by each owner in the building and be <b>notarized</b>.</p>								

## Form EZ-RPIG Mixed Use

The supplemental form EZ-RPIG Mixed Use must be submitted with the Form EZ-RPIG for zone investors applying for qualified investments to a mixed-use building (as indicated on Form EZ-RPIG, Part I, 5).

**Part I** is to be completed by the qualified zone investor.

**Part II** is to be completed by the preparer of the measured drawings or plans for the work done to the referenced building.

The preparer of these plans may be the licensed architect, surveyor, or drafts person (or representative of the architect, surveyor, etc.) that created the approved plans submitted to the locality to obtain the necessary permits for the Real Property Investment. This individual will transfer [useable floor space](#) information (Part II) by uses indicated on the measured drawings/plans to this supplemental form.

The preparer of the plans will need to provide his/her signature on the form.

- If the preparer of the plans is a:
  - Licensed architect, then he/she must also provide his/her official AIA seal on this form.
  - Surveyor, drafts person, contractor, etc., that individual must have his/her signature notarized on the form.

**Mixed use** is defined in Section 59.1-548A of the Code of Virginia as “a building incorporating residential uses in which a minimum of 30 percent of the useable floor space will be devoted to commercial, office, or industrial use.”

### Licensed Third Party Verification

In the case in which no plans were required by the local jurisdiction to obtain the necessary permits for the building **or** if the applicant (or a member of the applicant’s firm) prepared his/her own drawings, Part II can be completed by the qualified zone investor and verified by a licensed, independent third party. A licensed third party can be an architect, surveyor, or drafts person, etc.

- Additionally, for mixed-use building for which drawings were not required, attach a letter from the local jurisdiction’s Building Code Office verifying that no plans or drawings were required.

The licensed third party will need to provide his/her signature on the form, verifying the accuracy of the information provided in Part II.

- If the independent third party is a:
  - Licensed architect, then he/she must also provide his/her official AIA seal on this form.
  - Surveyor, drafts person, contractor, etc., that individual must have his/her signature notarized on the form.

This verification does not have to be in the grant year.

## W-9

A completed W-9 form must be included with the grant application materials. The FEIN or SSN listed on the qualification application EZ-RPIG must match the FEIN or SSN on the W-9. The address listed on the W-9 form must be the same mailing address as listed on the application. A blank W-9 is located on the DHCD website at <https://dmz1.dhcd.virginia.gov/EZApplication/>.



## CPA Attestation Report

As required by the statute, a CPA, [independent](#) of the zone investor and licensed in the State of Virginia, must perform the [agreed upon procedures](#) outlined by DHCD. The CPA will test certain documentation and calculations used to prepare the Real Property Investment Grant application and will report on these procedures and their findings in the Attestation Report. This report is to be signed and submitted by the CPA on behalf of the client as part of the application due April 1<sup>st</sup>.

Contact your CPA to find out if they are able to fulfill the attestation requirements for the Real Property Investment Grant application. All CPAs should know if they are able to perform any agreed upon procedures. These procedures are available at <https://dmz1.dhcd.virginia.gov/EZApplication/>.



### **Can my CPA prepare the application and accompanying materials (schedules) and attest?**

Professional standards (AICPA) and those of the Government Accountability Office (GAO) provide that an auditor cannot audit his or her own work but recognize that an auditor can provide assistance provided the audit organization does not make management decisions or perform management functions. The decision to follow any advice provided remains with management of the audited entity.





## Application Submission Materials

The following materials must be submitted to apply for the Real Property Investment Grant:

- Final Certificate of Occupancy or other acceptable placed in service documentation
- Form EZ-RPIG
- W-9
- Form EZ-RPIG Multiple-owner, if applicable
- Form EZ-RPIG Tenant, if applicable
- Form EZ-RPIG Mixed Use, if applicable
- CPA Attestation Report Form

All the listed application materials are due to DHCD by **April 1, 2010**. Any applications submitted without the required CPA Attestation Report or submitted after April 1<sup>st</sup> (but before May 15<sup>th</sup>) will be held until the Department determines that funds remain and it will not have to pro-rate grant awards. At such time, the Department will review and process such applications on a first-come, first-serve basis.

Submit applications online by midnight (EST) April 1<sup>st</sup>. Applicants must send original application materials using one of the following mechanisms: 1) United States Postal Service certified mail, return receipt requested and postmarked no later than April 1<sup>st</sup>; 2) UPS, Fed Ex or other services where shipping can be tracked with a shipped date no later than April 1<sup>st</sup>. Hand delivery is accepted but not preferred and must be received by DHCD by the close of business on April 1<sup>st</sup>.

**Enterprise Zone Program  
Department of Housing and Community Development  
600 E. Main Street, Suite 300 Richmond, VA 23219**

If you have any questions on how to qualify or completing the applications, please contact us at: **(804) 371-7030** or email us at: [EZONE@dhcd.virginia.gov](mailto:EZONE@dhcd.virginia.gov)

## **GLOSSARY: DEFINITIONS FOR REAL PROPERTY INVESTMENT GRANT**

### **Agreed upon procedures engagement:**

Means an engagement between an independent certified public accountant licensed by the Commonwealth and the qualified zone investor seeking to qualify for Enterprise Zone incentive grants whereby the independent certified public accountant, using procedures specified by the Department, will test and report on the assertion of the qualified zone investor as to their qualification to receive the Enterprise Zone incentive pursuant to 59.1-549 of the Code of Virginia.

### **Building:**

Means any construction meeting the commonly ordinarily accepted meaning of the term (building, *n*, a usually roofed and walled structure built for permanent use) where 1) areas separated by interior floors or other horizontal assemblies and 2) areas separated by fire walls or vertical assemblies shall not be construed to constitute separate buildings, irrespective of having separate addresses, ownership or tax assessment configurations, unless there is a property line contiguous with the fire wall or vertical assembly.

### **Capital lease:**

Means a lease that meets one or more of the following criteria and as such is classified as a purchase by the lessee: the lease term is greater than 75 percent of the property's estimated economic life; the lease contains an option to purchase the property for less than fair market value; ownership of the property is transferred to the lessee at the end of the lease term; or the present value of the lease payments exceed 90 percent of the fair market value of the property.

### **Common control:**

Means those firms as defined by Internal Revenue Code § 52(b).

### **Expansion:**

Means an increase in square footage or the footprint of an existing nonresidential building via a shared wall, or enlargement of an existing room or floor plan. Pursuant to real property investment grants this includes mixed use buildings.

### **Facility:**

Means a complex of buildings, co-located at a single physical location within an enterprise zone, all of which are necessary to facilitate the conduct of the same trade or business. This definition applies to new construction, as well as to the rehabilitation and expansion of existing structures.

### **Independent certified public accountant:**

Means a public accountant certified and licensed by the Commonwealth of Virginia who is not an employee of the business firm seeking to qualify for state tax incentives and grants under this program.

### **Local zone administrator:**

Means the chief executive of the city or county, in which an enterprise zone is located, or his or her designee. Pursuant to enterprise zone designations made prior to July 1, 2005, this shall include towns.

**Mixed use:**

Means a building incorporating residential uses in which a minimum of 30 percent of the useable floor space will be devoted to commercial, office or industrial use. Buildings where less than 30 percent of the useable floor space is devoted to commercial, office or industrial use shall be considered primarily residential in nature and shall not be eligible for a grant under 13 VAC 5-112-330. This definition applies only for the purpose of qualifying for Enterprise Zone incentives pursuant to 13 VAC 5-112-330.

**New construction:**

Means a single, nonresidential facility built on previously undeveloped land of a nonresidential structure built on the site/parcel of a previously razed structure with no remnants of the prior structure or physical connection to existing structures or outbuildings on the property. Pursuant to real property investment grants this shall include mixed use buildings.

**Placed in service:**

Means the final certificate of occupancy has been issued or the final building inspection has been approved by the local jurisdiction for real property improvements or real property investments, or in cases where a project does not require permits, the licensed third party inspector's report that the project was complete.

**Qualified real property investment:**

Means the amount properly chargeable to a capital account for improvements to rehabilitate, expand or construct depreciable real property placed in service during the calendar year within an enterprise zone provided that the total amount of such improvements equals or exceeds (i) \$100,000 with respect to a single building or a facility in the case of rehabilitation or expansion or (ii) \$500,000 with respect to a single building or a facility in the case of new construction. Qualified real property investments include expenditures associated with (a) any exterior, interior, structural, mechanical or electrical improvements necessary to construct, expand or rehabilitate a building for commercial, industrial or mixed use; (b) excavations; (c) grading and paving; (d) installing driveways; and (e) landscaping or land improvements. Qualified real property investments shall include, but not be limited to, costs associated with demolition, carpentry, sheetrock, plaster, painting, ceilings, fixtures, doors, windows, fire suppression systems, roofing, flashing, exterior repair, cleaning and cleanup.

Qualified real property investment shall not include:

1. The cost of acquiring any real property or building.
2. Other costs including: (i) the cost of furnishings; (ii) any expenditure associated with appraisal, architectural, engineering, surveying, and interior design fees; (iii) loan fees, points, or capitalized interest; (iv) legal, accounting, realtor, sales and marketing, or other professional fees; (v) closing costs, permits, user fees, zoning fees, impact fees, and inspection fees; (vi) bids, insurance, signage, utilities, bonding, copying, rent loss, or temporary facilities incurred during construction; (vii) utility connection or access fees; (viii) outbuildings; (ix) the cost of any well or septic or sewer system; and (x) roads.
3. The basis of any property: (i) for which a grant under this section was previously provided; (ii) for which a tax credit under § 59.1-280.1 of the Code of Virginia was previously granted; (iii) which was previously placed in service in Virginia by the qualified zone investor, a related party as defined by Internal Revenue Code § 267 (b), or a trade or business under common control as defined by Internal Revenue Code § 52 (b); or (iv) which was previously in service in Virginia and has a basis in the hands of the person acquiring it, determined in whole or in part by reference to the basis of such property in the hands of the person from whom it was acquired or Internal Revenue Code § 1014 (a).

**Qualified zone investor:**

Means an owner or tenant of real property located within an enterprise zone who expands, rehabilitates or constructs such real property for commercial, industrial or mixed use. In the case of a tenant, the amounts of qualified zone investment specified in this section shall relate to the proportion of the property for which the tenant holds a valid lease. Units of local, state and federal government or political subdivisions shall not be considered qualified zone investors.

**Rehabilitation:**

Means the alteration or renovation of all or part of an existing nonresidential building without an increase in square footage. Pursuant to real property investment grants this shall include mixed use building.

**Same trade or business:**

Means the operations of a single company or related companies or companies under common control.

**Useable floor space:**

Means all space in a building finished as appropriate to the use(s) of the building as represented in measured drawings. Unfinished basements, attics, and parking garages would not constitute useable floor space. Finished common areas such as stairwells and elevator shafts should be apportioned appropriately based on the majority use (51 percent) of that floor(s).